REGISTRAR'S COPY : Please return to H. W. FISHER & Co.

Company Registration No. 1222521 (England and Wales)

D & J SIMONS & SONS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2003

LOLXQ8DU
LD5 0439
COMPANIES HOUSE 19/11/04

D & J SIMONS & SONS LIMITED

COMPANY INFORMATION

Directors	J M Simons Mrs L Simons B L Simons R M Simons A B Simons D J Simons A J Simons
Secretary	Mrs L Simons
Company number	1222521
Registered office	124-150 Hackney Road London E2 7QS
Business address	124-150 Hackney Road London E2 7QS
Auditors	H.W. Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	HSBC Bank plc 465 Bethnal Green Road Bethnal Green London E2 9QW
Solicitors	Butcher Burns Beaumont House 47 Mount Pleasant London WC1X 0AE

D & J SIMONS & SONS LIMITED

CONTENTS

	Page
Directors' report	1
Statement of directors' responsibilities	2
Independent Auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the accounts	7 - 15

D & J SIMONS & SONS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2003

The directors present their report and accounts for the year ended 31 October 2003.

Principal activities
The principal activity of the company continues to be that of distributors of picture frame mouldings and wood turnery.

Review of business
Both the level of business and the year end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity.

Results and dividends
The profit for the year after taxation amounted to £33,871 .

The directors do not recommend payment of a final dividend.

Directors and their interests
The directors at 31 October 2003 and their beneficial interests in the shares of the company were:

	Ordinary shares of £ 1 each	
	31 October 2003	1 November 2002
J M Simons	**25**	25
Mrs L Simons	**25**	25
B L Simons	**150**	150
R M Simons	**-**	-
A B Simons	**-**	-
D J Simons	**-**	-
A J Simons	-	-

Auditors
A resolution proposing the reappointment of H.W. Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board

B L Simons
Director
Dated: ..... 5 November 2004

D & J SIMONS & SONS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

D & J SIMONS & SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of D & J Simons & Sons Limited for the year ended 31 October 2003 set out on pages 4 to 15 . These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7 .

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

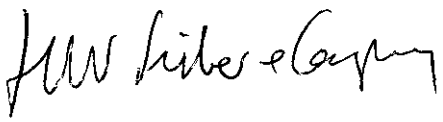
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

H.W. Fisher & Company



Chartered Accountants
Registered Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated: 8 November 2004

D & J SIMONS & SONS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2003

	Notes	2003 £	2002 £
Turnover	2	**12,002,571**	13,430,919
Cost of sales		**(8,174,970)**	(8,746,679)
Gross profit		**3,827,601**	4,684,240
Administrative expenses		**(4,319,675)**	(3,702,123)
Other operating income		**458,920**	402,145
Operating (loss)/profit	3	**(33,154)**	1,384,262
Other income	6	**31,196**	31,360
Interest payable and similar charges	7	**(10,760)**	-
(Loss)/profit on ordinary activities before taxation		**(12,718)**	1,415,622
Tax on (loss)/profit on ordinary activities	8	**46,589**	(435,636)
Profit on ordinary activities after taxation		**33,871**	979,986
Dividends	9	**(245,000)**	(244,998)
(Net deficit)/retained profit for the financial year		**(211,129)**	734,988
Retained profit brought forward		**9,360,081**	8,625,093
Retained profit carried forward		**9,148,952**	9,360,081

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

D & J SIMONS & SONS LIMITED

BALANCE SHEET
AS AT 31 OCTOBER 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	10		5,741,517		5,781,694
Current assets					
Stocks	11	1,947,747		1,900,501	
Debtors	12	8,526,020		8,060,684	
		10,473,767		9,961,185	
Creditors: amounts falling due within one year	13	(4,834,008)		(4,150,474)	
Net current assets			5,639,759		5,810,711
Total assets less current liabilities			11,381,276		11,592,405
Capital and reserves					
Called up share capital	14		500		500
Revaluation reserve	15		2,231,824		2,231,824
Profit and loss account			9,148,952		9,360,081
Shareholders' funds - all equity interests	16		11,381,276		11,592,405

The accounts were approved by the Board on 5 November 2004

B L Simons
Director

D & J SIMONS & SONS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2003

	Notes		2003 £		2002 £
Net cash inflow/(outflow) from operating activities	17		**497,975**		(1,273,316)
Returns on investments and servicing of finance					
Interest received		**31,196**		31,360	
Interest paid		**(10,760)**		-	
Net cash inflow from returns on investments and servicing of finance			**20,436**		31,360
Corporation tax			**(333,288)**		(88,344)
Capital expenditure					
Payments to acquire tangible fixed assets		**(127,777)**		(149,201)	
Receipts from sales of tangible fixed assets		**46,825**		121,749	
Net cash outflow from capital expenditure			**(80,952)**		(27,452)
Equity dividends paid			**(245,000)**		(244,998)
Decrease in cash	18		**(140,829)**		(1,602,750)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003

1 Accounting policies

1 .1 Basis of preparation

The accounts have been prepared under the historical cost convention as modified to include the revaluation of freehold land and buildings.

1 .2 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT.

1 .3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on all tangible fixed assets, except freehold land, at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2% straight line
Plant and machinery	10% straight line
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

1 .4 Stock

Stock is stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1 .5 Pensions

The company operates a defined contributions pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1 .6 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1 .7 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to profit and loss account.

1 .8 Investment properties

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation is provided. This is a departure from the requirements of the Companies Act 1985 which requires all properties to be depreciated. As the properties are held for their investment potential, the directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be identified or quantified.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003

2 Turnover

Geographical market

	Turnover 2003 £	2002 £
United Kingdom	**11,499,400**	12,631,176
Rest of the world	**503,171**	799,743
	12,002,571	13,430,919

3 Operating (loss)/profit

	2003 £	2002 £
Operating (loss)/profit is stated after charging:		
Depreciation of owned tangible fixed assets	**92,627**	113,930
Operating lease rentals		
- Other assets	**140,000**	140,000
Auditors' remuneration	**24,000**	24,000
Remuneration of auditors for non-audit work	**5,906**	9,241

4 Directors' emoluments

	2003 £	2002 £
Aggregate emoluments	**809,980**	345,729

Retirement benefits are accruing to 1 (2002 - 3) director under defined contribution schemes.

Emoluments disclosed above include the following amounts paid to the highest paid director:

Aggregate emoluments	**250,000**	120,218

5 Employees

Number of employees

The average monthly number of employees during the year was:

	2003 Number	2002 Number
Sales	23	26
Administration	22	25
Despatch and warehouse	57	62
	102	113

Employment costs

	£	£
Wages and salaries	2,341,652	1,909,562
Social security costs	267,435	187,056
	2,609,087	2,096,618

6 Other income

	2003 £	2002 £
Interest receivable and similar income	31,196	31,360

7 Interest payable and similar charges

	2003 £	2002 £
Interest payable on:		
Late payment of tax	10,760	-

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003

8	**Tax on (loss)/profit on ordinary activities**	2003 £	2003 £	2002 £	2002 £
	Current tax				
	UK corporation tax				
	Current tax on income for the period	**(5,000)**		435,636	
	Adjustments in respect of prior periods	**(41,589)**		-	
			(46,589)		435,636
	Factors affecting the tax charge for the year				
	(Loss)/profit on ordinary activities before taxation		**(12,718)**		1,415,622
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 : 30.00 %)		**(3,815)**		424,687
	Effects of:				
	Expenses not deductible for tax purposes		**549**		4,073
	Capital allowances for period in excess of depreciation		**(1,734)**		6,876
	Adjustments to tax charge in respect of previous periods		**(41,589)**		-
	Current tax charge		**(46,589)**		435,636

9	**Dividends**	2003 £	2002 £
	Ordinary interim paid	**245,000**	244,998

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003

10 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 November 2002	5,560,844	276,596	330,471	386,058	6,553,969
Additions	-	950	26,256	100,571	127,777
Disposals	-	-	-	(236,797)	(236,797)
At 31 October 2003	**5,560,844**	**277,546**	**356,727**	**249,832**	**6,444,949**
Depreciation					
At 1 November 2002	23,792	244,972	286,952	216,559	772,275
On disposals	-	-	-	(161,470)	(161,470)
Charge for the year	11,897	22,633	17,444	40,653	92,627
At 31 October 2003	**35,689**	**267,605**	**304,396**	**95,742**	**703,432**
Net book value					
At 31 October 2003	**5,525,155**	**9,941**	**52,331**	**154,090**	**5,741,517**
At 31 October 2002	5,537,052	31,624	43,519	169,499	5,781,694

The net book value of land and buildings comprises:

	2003	2002
	£	£
Freeholds	**5,525,155**	5,533,761
Long leaseholds (over 50 years)	-	3,291
	5,525,155	5,537,052

The properties were revalued by the directors at 31 October 2003.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
Historical cost at 1 November 2002 and at 31 October 2003	**3,329,020**
Depreciation based on cost	
At 1 November 2002	14,494
Charge for the year	7,247
At 31 October 2003	**21,741**
Net book values	
At 31 October 2003	**3,307,279**
At 31 October 2002	3,314,526

All other tangible fixed assets are stated at historical cost.

11 Stocks

	2003	2002
	£	£
Finished goods and goods for resale	**1,947,747**	1,900,501

12 Debtors

	2003	2002
	£	£
Trade debtors	**3,463,004**	4,215,333
Amounts owed by companies under common control	**4,816,057**	3,634,927
Corporation tax	**45,843**	-
Other debtors	**59,051**	61,891
Prepayments and accrued income	**142,065**	148,533
	8,526,020	8,060,684

Amounts falling due after more than one year and included in the debtors above are:

	2003	2002
	£	£
Other debtors	**52,854**	52,854

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003

13 Creditors: amounts falling due within one year	2003 £	2002 £
Bank overdrafts	**1,178,862**	1,038,033
Trade creditors	**1,404,724**	1,176,534
Amounts owed to companies under common control	**1,167,712**	893,586
Corporation tax	**-**	334,034
Other taxes and social security costs	**875,553**	555,430
Other creditors	**86,330**	20,734
Accruals and deferred income	**120,827**	132,123
	4,834,008	4,150,474

14 Share capital	2003 £	2002 £
Authorised		
1,000 Ordinary shares of £ 1 each	**1,000**	1,000
Allotted, called up and fully paid		
500 Ordinary shares of £ 1 each	**500**	500

15 *Statement of movements on reserves*

	Revaluation reserve £
Balance at 1 November 2002 and at 31 October 2003	**2,231,824**

16 Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the financial year	**33,871**	979,986
Dividends	**(245,000)**	(244,998)
Net (depletion in)/addition to shareholders' funds	**(211,129)**	734,988
Opening shareholders' funds	**11,592,405**	10,857,417
Closing shareholders' funds	**11,381,276**	11,592,405

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003

17 Net cash inflow/(outflow) from operating activities

	2003	2002
	£	£
Reconciliation to operating (loss)/profit:		
Operating (loss)/profit	**(33,154)**	1,384,262
Depreciation of tangible fixed assets	**92,627**	113,930
Profit on disposal of tangible fixed assets	**28,502**	28,927
(Increase)/decrease in stocks	**(47,246)**	220,597
Increase in debtors	**(419,493)**	(2,584,018)
Increase/(decrease) in creditors	**876,739**	(437,014)
	497,975	*(1,273,316)*

18 Reconciliation of net cash flow to movement in net debt

	2003	2002
	£	£
Decrease in cash	**(140,829)**	(1,602,750)
Net debt at 1 November 2002	**(1,038,033)**	*564,717*
Net debt at 31 October 2003	**(1,178,862)**	(1,038,033)

19 Analysis of net debt

	At 1 November 2002	Cash flow	At 31 October 2003
	£	£	£
Bank overdrafts	*(1,038,033)*	*(140,829)*	*(1,178,862)*
	(1,038,033)	**(140,829)**	**(1,178,862)**

20 Contingent liabilities

The company's bankers hold a right of set-off for any amounts outstanding between D & J Simons Limited, Robobond Limited, Robam Importers Limited, D & J Simons (Properties) Limited and D & J Simons and Sons Limited. For the period covered by these financial statements the companies had a net surplus at the bank.

21 Commitments under operating leases

At 31 October 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003	2002
	£	£
Expiry date:		
In over five years	**148,750**	148,750

22 **Related party transactions**

Robam Importers Limited, Robobond Limited, D & J Simons Limited, D & J Simons (Properties) Limited, Gransim Properties No.2 Limited, Gransim Properties No. 3 Limited, Gransim Properties No. 4 Limited, Gransim Properties No. 5 Limited and Gransim Properties No.6 Limited are considered related parties as a result of the directors' interests in these companies. The Freston Pension Fund is considered to be a related party as the directors and their dependents are the beneficiaries.

During the year under review, the company purchased stock for resale of £389,285 (2002 - £426,954) from D & J Simons Limited. The company also received £41,488 (2002 - £41,488) from Robobond Limited and £40,000 (2002: nil) from D & J Simons Limited as a contribution towards administrative expenses incurred on its behalf.

At the Balance Sheet date the company was owed £118,930 (2002 - £2,200) by Robobond Limited and owed Robam Importers Ltd £390,712 (2002 - £390,712). £693,233 was owed to D & J Simons Limited (2002 - £419,107). £83,767 was owed to D & J Simons (Properties) Limited (2002 - £83,767). Gransim Properties No.2 Limited, Gransim Properties No. 3 Limited, Gransim Properties No. 4 Limited, Gransim Properties No. 5 Limited and Gransim Properties No.6 Limited owed £4,620,429 (2002 - £3,556,030) to the company for funds advanced to acquire properties.

At the Balance Sheet date the company was owed £76,698 (2002 - £76,698) by the Freston Pension Scheme and during the year paid £140,000 (2002 - £140,000) in rent for properties owned by this scheme.